

180025 PAPERWORK REDUCTION ACT SUBMISSION

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NHTSA-02-12231-4

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DEPT. OF TRANSPORTATION
PROJECTS
AM 10:44

1. Agency/Subagency originating request National Hwy. Traffic Safety Adm / US DOT		2. OMB control number a. 21 27-0510 b. <input type="checkbox"/> None	
3. Type of information collection (check one) a. <input type="checkbox"/> New Collection b. <input checked="" type="checkbox"/> Revision of a currently approved collection c. <input type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change , of a previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change , of a previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number <i>For b-f, note Item A2 of Supporting Statement instructions</i>		4. Type of review requested (check one) a. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by: ___/___/___ c. <input type="checkbox"/> Delegated	
7. Title Consolidated Labeling Requirements for 49 CFR Parts 541, 565 and 567		5. Small entities Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		6. Requested expiration date a. <input checked="" type="checkbox"/> Three years from the approval date b. <input type="checkbox"/> Other: ___/___/___	
8. Agency form number(s) (if applicable) None			
9. Keywords motor vehicle standards, theft prevention, Theft Prevention Std, theft data, labeling, larceny			
10. Abstract vehicle identification numbers are mandated for all motor vehicles to increase the accuracy and efficiency of vehicle recall campaigns and to deter motor vehicle theft			
11. Affected public (Mark primary with "P" and all others with "X") a. <input type="checkbox"/> Individuals or households b. <input checked="" type="checkbox"/> Business or other for-profit c. <input type="checkbox"/> Not-for-profit institutions d. <input type="checkbox"/> Farms e. <input type="checkbox"/> Federal Government f. <input type="checkbox"/> State, Local, or Tribal Government		12. Obligation to respond (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Voluntary b. <input type="checkbox"/> Required to obtain or retain benefits c. <input checked="" type="checkbox"/> Mandatory	
13. Annual reporting and recordkeeping hour burden a. Number of respondents 1,000 b. Total annual responses 22,725,000 1. Percentage of these responses collected electronically 0 % c. Total annual hours requested 984,416 d. Current OMB inventory 456,212 e. Difference 518,204 f. Explanation of difference 1. Program change 151,666 2. Adjustment 366,538		14. Annual reporting and recordkeeping cost burden (in thousands of dollars) a. Total annualized capital/startup costs 0 b. Total annual costs (O&M) 80,733 c. Total annualized cost requested 80,733 d. Current OMB inventory 20 e. Difference 80,713 f. Explanation of difference 1. Program change \$19,600 2. Adjustment \$61,113	
15. Purpose of information collection (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Application for benefits b. <input type="checkbox"/> Program evaluation c. <input type="checkbox"/> General purpose statistics d. <input type="checkbox"/> Audit e. <input type="checkbox"/> Program planning or management f. <input type="checkbox"/> Research g. <input checked="" type="checkbox"/> Regulatory or compliance		16. Frequency of recordkeeping or reporting (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping b. <input checked="" type="checkbox"/> Third party disclosure c. <input checked="" type="checkbox"/> Reporting: 1. <input type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input checked="" type="checkbox"/> Other (describe) once	
17. Statistical methods Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18. Agency contact (person who can best answer questions regarding the content of this submission) Name: Ms. Deborah Mazyck Phone: (202) 366-4809	

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SUPPORTING STATEMENT

FOR

CONSOLIDATED LABELING REQUIREMENTS FOR 49 CFR PARTS 565, 541, and 567 (OMB Clearance Number 2127-0510)

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Attach a copy of the appropriate statute or regulation mandating or authorizing the collection of information.

a. 49 CFR Part 565

Under the authority granted to the National Highway Traffic Safety Administration (NHTSA) by the National Traffic and Motor Vehicle Safety Act of 1966, NHTSA issued the Federal Motor Vehicle Safety Standards (FMVSSs) and the collections of information that support their implementation. One FMVSS was Standard No. 115, "Vehicle Identification Number," specifying requirements for vehicle identification numbers to aid the agency in achieving many of its safety goals. The standard was amended in August 1978 by extending its applicability to additional classes of motor vehicles and by specifying the use of a 30-year, 17-character Vehicle Identification Number (VIN) for worldwide use. The standard was amended in May 1983 by deleting portions of FMVSS No. 115 and reissuing those portions as a general agency regulation, 49 CFR Part 565, "Vehicle Identification Number Requirements"

Subsequently, in a final rule published on June 7, 1996, the text of FMVSS No. 115 was transferred to Part 565 without making any substantive changes to the VIN requirements. The final rule also abolished FMVSS No. 115. Part 565 as amended requires vehicle manufacturers to assign a unique VIN to each new vehicle and to inform the National Highway Traffic Safety Administration (NHTSA) of the code used in forming the VIN. These regulations apply to all vehicles: passenger cars, multipurpose passenger vehicles, trucks, buses, trailers, incomplete vehicles, and motorcycles.

b. 49 CFR Parts 541 and 567.

Part 541

The Motor Vehicle Information and Cost Savings Act was amended by the Anti Car Theft Act of 1992 (P.L. 102- 519). The enacted Theft Act states that high theft passenger motor vehicles, multipurpose passenger vehicles, and light-duty trucks with a gross vehicle weight rating of 6,000 pounds or less be covered under the Federal Motor Vehicle Theft Prevention Standard.

Each major component part must be either labeled or affixed with the VIN and its replacement component part it must be marked with the "DOT" symbol, the letter "R" and the manufacturers' logo.

Pursuant to a statutory mandate, in a FEDERAL REGISTER notice published on June 26, 2002, NHTSA proposed that the Federal Motor Vehicle Theft Prevention Standard, be extended from high-theft vehicles to include all passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less, and to light duty trucks with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles.

Part 567

This part specifies the content and location of, and other requirements for, the certification label or tag to be affixed to motor vehicles and motor vehicle equipment. Specifically, the VIN is required to appear on the certification label. Additionally, this certification provides the consumer with information to assist him or her in determining which of the Federal Motor Vehicle Safety Standards are applicable to the vehicle or equipment, and its date of manufacture.

2. Indicate how, by whom, and for what purpose the information is to be used. Indicate actual use of information received from the current collection.

- a. 49 CFR Part 565.

State motor vehicle administrations, law enforcement organizations, and other agencies utilize this unique VIN as a means of identifying motor vehicles that are registered within their state. NHTSA utilizes this vehicle identification number to identify motor vehicles that are subject to defect notices. NHTSA also uses these VINs to calculate motor vehicle theft rates by model year/calendar year as required by Section 603 of the Cost Savings Act.

Under Part 565, "Vehicle Identification Number Requirements," vehicle manufacturers are required to identify the restraint system type in the VIN for passenger. If this information were not available, NHTSA would not be able to determine if passenger car vehicles equipped with an air bag or an automatic safety belt are being certified as being in compliance with FMVSS No. 208. This lack of information would seriously hinder the agency's efforts to select vehicles for purchase on the open market for the purposes of conducting crash tests to "spot check" a manufacturer's compliance. If each vehicle were not labeled with a VIN and if the VIN information were not collected by NHTSA, these programs which require vehicle identification would not be possible.

- b. 49 CFR Part 541.

The identification of major parts of high-theft motor vehicle lines is designed to decrease automobile theft by making it more difficult for criminals to "chop" vehicles into

DRAFT

component parts and then fence such parts. The information would aid law enforcement officials at all levels of Government in the investigation of "chop shops" by creating evidence for prosecution of the operators for possession of stolen motor vehicle parts. Officials have great difficulty in establishing that particular parts in the possession of a "chop shop" are in fact stolen when the parts are not marked. Presently, 33% of the total number of passenger motor vehicles produced are not parts marked. Parts marking is intended to work as follows. Major parts are marked on high-theft vehicle lines. If a vehicle is stolen and "chopped" into its components, the parts are normally fenced to auto body shops for either a specific repair or general stock. Operators of both "chop shops" and auto body repair shops would avoid possession of parts bearing identification that links the parts to a stolen vehicle. Thus, Congress intends for major parts identification to decrease the market for stolen parts and therefore, decrease the incentive for motor vehicle theft.

As earlier stated, NHTSA has proposed that the Federal Motor Vehicle Theft Prevention Standard, be extended from high-theft vehicles to include all passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less, and to light duty trucks with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles.

If this information were not available, the legislative goal of a comprehensive scheme against automobile theft would be frustrated. The Theft Prevention Statute would not effectively deter "chop shop" operators because law enforcement officials could not readily identify parts in the operators' possession as stolen. Also, stolen parts, when recovered, could not easily be traced back to the proper owner and returned to the owner or insurer. Further, failure to require parts' identification would violate the Theft Prevention Statute.

3. Describe whether the collection of information involves the use of technological collection techniques or other forms of information technology.

49 CFR Parts 541, 565, and 567 do not impose any obstacles for automobile manufacturers to use technological collection techniques or other forms of information technology for transmission and storage of the information. The manufacturer may use any form of improved information technology it deems necessary that minimizes the burden as long as the required reports are provided. Manufacturers have chosen to submit this information to NHTSA in hard copy form. However, to enhance information technology, the agency will encourage manufacturers to submit this information on computer disks (using NHTSA-approved format), by email format or by the internet.

4. Describe efforts to identify duplication.

a. 49 CFR Part 565.

To ensure that motor vehicle manufacturers do not submit duplicate “unique” motor vehicle identifiers, the agency has a contract with the Society of Automotive Engineers (SAE), to be sole source assigner of the first three digits of the unique number. NHTSA retains final authority over the assignment process. SAE Recommended Practice J1044a, World Manufacturer Identifiers, is used in the assignment of the first three digits. The agency receives a copy of the numbers assigned by SAE.

Since only the SAE has procedures to assign the first three digits of unique motor vehicle identifiers, similar information is not available. Therefore, no other information can be used or modified for use for the purposes described.

b. 49 CFR Parts 541 and 567.

This information is not required by any other law or regulation and would not be available without the regulation. Congress expressly addressed the issue of duplication by prohibiting any requirement that a part have more than a single identification, i.e., Cost Savings Act Section 602(d)(1). Also, this standard avoids any duplication with the safety standard certification process, Part 567, by amending Part 567 so that the manufacturer's certification label includes theft prevention compliance. This avoids duplication in general of an identifier by requiring use of the VIN, which is already required for vehicle identification purposes. Without Part 541, information of this sort would not be available to law enforcement officials or the general public.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

a. 49 CFR Part 565.

The labeling requirements apply to all manufacturers of motor vehicles that use the Nation's highways. This includes both large and small motor vehicle manufacturers. There is no way to minimize the burden to the small manufacturer or entity as all motor vehicles covered by this standard must have the vehicle identification number applied.

The amount of time necessary to comply with the requirements for submission of coding information to NHTSA varies with the amount of material submitted. Therefore, a small company with a limited production of motor vehicles will incur relatively little burden.

b. 49 CFR Parts 541 and 567.

This regulation may affect small businesses because some motor vehicle manufacturers and manufacturers of major replacement parts might be classified as small businesses. This Theft Prevention Standard does not distinguish between manufacturers on the basis of size. The agency believes that the burden is so minor that small businesses should not have any difficulty with compliance. Manufacturers of replacement parts, who often will

DRAFT

be smaller than motor vehicle manufacturers, may have a lighter burden because Section 602(d)(2)(B) prohibits any requirement of more identification on a replacement part than a symbol identifying the manufacturer and a common symbol identifying the part as a major replacement part.

6. Describe the consequence to Federal program or policy activities if the collection is not collected or collected less frequently.

- a. 49 CFR Part 565, and 567

The information is collected once, when the vehicle identification number is placed on the motor vehicle. If vehicle identification numbers are not placed on motor vehicles, the agency would be unable to identify motor vehicles that do not comply with the Federal Motor Vehicle Safety Standards or that have safety-related defects. NHTSA and vehicle manufacturers would also be unable to identify current owners of vehicles to advise them of recall campaigns for safety problems. Vehicle owners may thus be endangered by continuing to drive vehicles with safety-related problems.

- b. 49 CFR Pars 541

The most important feature of the Theft Prevention Standard is that the manufacturer must mark all vehicles of a line throughout the production period of the line. If the manufacturer marked all vehicles, finding an unmarked major part is strong evidence that the identification has been removed from the part in violation of the law. If some vehicles are not marked, however, the evidentiary value is lost.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

The procedures specified for these data collections are fully consistent with the guidelines set forth in 5 CFR 1320.6.

- 8.

Provide a copy of the FEDERAL REGISTER document soliciting comments on extending the collection of information, a summary of all public comments responding to the notice, and a description of the agency's actions in response to the comments. Describe efforts to consult with persons outside the agency to obtain their views.

The agency requested public comment on the extension of the previously approved collection in the FEDERAL REGISTER (67 FR 43075, June 26, 2002).

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gift will be given to any respondent.

10. Describe any assurance of confidentiality provided to respondents.

No issue of confidentiality is involved in these data collections.

11. Provide additional justification for any questions on matters that are commonly considered private.

No questions of a sensitive nature are involved in these data collections.

12. Provide estimates of the hour burden of the collection of information on the respondents.

- a. 49 CFR Part 565 and 567.

The yearly burden to place the vehicle identification number on 22.725 million motor vehicles, at a rate of 1 minute per vehicle, because these labels are riveted in place, is estimated at 378,750 burden hours. The yearly burden of reporting requirements to register the vehicle identification number for 1,000 respondents, at a rate of 10 hours per response is estimated at 10,000 burden hours. Therefore, the total burden placed on the manufacturer for labeling is estimated to be 388,750 burden hours.

The respondents submit reports once to NHTSA to disclose the VIN of new vehicle lines and certification information. We estimate 275 reports each to be submitted annually by the respondents for Part 565 and Part 567.

- b. 49 CFR Parts 541.

At present, 9.3 million vehicles are high theft lines whose parts must be marked. If the proposed rule is made final, an additional 3.25 million vehicles would have their major parts marked, making a total of 12.55 million vehicles to be marked.

For the antitheft requirement, the cost of labeling the major parts (i.e., a paper label with the VIN is placed on each major part) is less than the cost of stamping the VIN on each major part with a stamping machine. To meet the Theft Prevention Standard, the agency estimates that the time to number and affix each label to a major part is .2 minutes. Thus, the time required to label each vehicle is approximately 2.8 minutes (14 parts x .2 minutes). The additional hourly burden for labeling that would result if this proposed rule is made final is estimated to be 151,666 hours (3.25 million vehicles x 2.8 minutes per vehicle/60 minutes in an hour). This figure of 151,666 hours would be added to the existing 434,000 hours resulting from the costs of labeling high theft lines. If this proposed rule is made final, the hourly burden for labeling all affected motor vehicles would be 585,666 hours.

DRAFT

The agency estimates that the time to stamp each part will take approximately .3 minutes. Thus, the time required to stamp all major parts on a vehicle is approximately 4.2 minutes (14 parts x .3 minutes). If 9.3 million vehicles are covered, the total burden for stamping is estimated to total 651,000 hours (9.3 million cars x 4.2 minutes per vehicle / 60 minutes in an hour). The additional hourly burden for stamping that would result if this proposed rule is made final is estimated to be 227,750 hours (3.25 million cars x 4.2 minutes per vehicle/60 minutes in an hour). Please note that in this analysis each vehicle would either have its major parts labeled or stamped but not both.

c. Combined Estimates (49 CFR Parts 565, 567, and 541)

The combined estimated hourly burden to fulfill Parts 565, 567, and 541 is as follows:

Estimated respondents	1,000
Total number of responses	22,725,000
Total Hours (Parts 565 and 567)	388,750
Total Hours (Part 541- labeling only)	585,666
Record keeping hours	10,000
Current OMB Inventory	456,212
Total Requested	984,416
Program change increase	518,204

13. Provide estimates of the total annual cost to the respondents or recordkeepers.

a. 49 CFR Parts 565 and 567

NHTSA estimates the average cost associated with the burden hours arising from meeting Parts 565 and 567 is \$13.00 an hour. Parts 565 and 567 result in a total of 388,750 burden hours on motor vehicle manufacturers. Thus, the total annual cost of meeting Parts 565 and 567 is \$5,053,750.

b. 49 CFR Part 541

NHTSA assumes that most manufacturers will use the less expensive method of labeling the major parts on vehicles, and not stamp the VINs onto major parts. NHTSA estimates that the average cost in Year 2000 dollars (the latest year for which figures are available) to label the 14 parts is \$6.03 per vehicle, broken down into \$3.14 for material and \$2.89 for labor. At present, 9.3 million high theft motor vehicles annually must have its major parts marked. At present the total annual fleet costs are estimated at \$56.08 million for label identifiers (\$6.03 x 9.3 million vehicles). If this proposed rule is made final, the additional annual cost burden to industry is estimated at \$19.6 million (\$6.03 x 3.25 million vehicles). If this proposed rule is made final, the cost of labeling all affected motor vehicles would be \$75.68 million.

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c. Total costs of 49 CFR Parts 541, 565, and 567

As earlier stated, NHTSA estimates the total annual cost of meeting Part 565 and 567 is \$5,053,750. NHTSA estimates the total annual cost of meeting Part 541 is \$75.68 million. \$5,053,750 plus \$75,680,000 equals \$80,733,750.

14. Provide estimates of annualized cost to the Federal Government.

a. 49 CFR Parts 565 and 567.

There is no annualized cost to the Federal Government as the motor vehicle manufacturers certify the labeling requirements information and reporting requirements and there is no exchange of correspondence, tabulation of data or response necessary from the agency.

b. 49 CFR Part 541

Congress has estimated that the required activities of the Department of Transportation under the Theft Prevention Standard costs the Department approximately \$200,000 annually.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

The reporting and recordkeeping hour and cost burdens have changed because the parts marking requirements of the Federal Motor Vehicle Theft Prevention Standard, which presently applies to high theft motor vehicle lines, will be expanded to include all passenger car and multipurpose passenger vehicle lines with a GVWR of 6,000 pounds or less, and low theft light duty truck lines with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicle lines. NHTSA estimates the parts marking requirements will be extended to an additional 3.25 million motor vehicles a year, increasing from 9.3 million to 12.55 million vehicles to be marked. This increase in the number of vehicles that must have its major parts marked results in 151,666 more burden hours on vehicle manufacturers.

In previous submissions to OMB for clearance no. 2127-0510, NHTSA has inadvertently not included in the total, all the burden hours associated with manufacturers' meeting 49 CFR Parts 565 and 567. The total burden hours associated with meeting Parts 565 and 567 is 388,750 burden hours. The 10,000 hours associated with Parts 565 and 567 recordkeeping requirements have been reported to OMB. An additional 12,212 burden hours resulting from Parts 565 and 567 have also been reported to OMB. Thus, 388,750 minus 22,212 (10,000 hours plus 12,212 hours) equals 366,538 burden hours that have inadvertently not been reported to OMB in the past.

16. For collections of information whose results are planned to be published for statistical use. etc.

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This collection of data will not have the results published for statistical use.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Approval is not sought to not display the expiration date for OMB approval.

18. Explain each exception to the certification statement identified in Item 19, "Certification for paperwork reduction act submissions," of OMB Form 83-I.

No exceptions to the certification statement are made.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

This collection of information does not employ statistical methods.

3 Attachments:

1. Title 49 of the United States Code, Chapter 331, *Theft Prevention*
2. 66 FR 21816, May 1, 2001
3. 59 FR 64164, December 14, 1994
4. 67 FR 43075, June 26, 2002